Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of	)	
	)	
Implementation of Section 304 of the Telecommunications Act of 1996	)	CS Docket No. 97-80
	)	
Commercial Availability of Navigation Devices	)	
	)	

COMMENTS OF VERIDIAN CORPORATION

Veridian Corporation ("Veridian") hereby submits its comments in response to the *Further Notice of Proposed Rulemaking and Declaratory Ruling* in the above-captioned further rulemaking proceeding undertaken by the Commission pursuant to Section 629 of the Communications Act, 47 U.S.C. § 549.[1] We believe that digital copy protection is one of the fundamental challenges to be tackled in achieving the statutory mandate at hand -- the wide commercial availability of digital navigation devices.

Veridian specializes in providing high-end information technology solutions, particularly in information and network security. For many years, Veridian and its predecessor companies have provided information and network security solutions to government and commercial customers with some of the most complex information systems and highest security needs in the world. We have over 5,000 employees nationwide.

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[1] *In the Matter of Implementation of Section 304 of the Telecommunications Act of 1996; Commercial Availability of Navigation Devices,* CS Docket No. 97-80, Further Notice of Proposed Rule Making and Declaratory Ruling, FCC 00-341 (rel. Sept. 18, 2000) ("*Further Notice*").

Veridian has developed a patented digital copy protection and access control technology that it views as the optimal solution to the threat of digital piracy. We are in the process of holding discussions with Cable Television Laboratories, Inc. ("CableLabs") with the goal of ensuring that the interface specification and digital copy protection license being developed under the auspices of that organization accommodate that technology. We currently have no reason to believe that these discussions will not be fruitful. At the same time, we urge the Commission to refrain from adopting or sanctioning any rules that would not be flexible enough to accommodate our technology.

The *Further Notice* is focused on the process underway at CableLabs for developing an interface specification between host navigation devices and the point of deployment modules ("POD") that must be provided by cable operators. In particular, the *Further Notice* invites comment on "whether the efforts of CableLabs to develop an interface standard have achieved the desired result, and whether entities outside of the membership of CableLabs have been able to effectively participate in the process." *Further Notice* at ¶ 9. The Commission has further noted that the current version of the digital copy protection license under development "is by no means the only digital copy protection technology that has been developed or is in development." *Id.* at ¶ 17.

Subsequent to release of the Further Notice, CableLabs submitted a report on the status of its digital copy protection technology. CableLabs apprised the Commission that it "has had numerous discussions and conference calls with the parties with the objective of achieving a consensus," and that negotiations on the license continue among the parties.

One of Veridian's leading scientists, Dr. Paul Schneck, has developed a patented "System for Controlling Access and Distribution of Digital Property" (U.S. Patent No. 5,933,498, the "Schneck Patent"). The Schneck Patent teaches techniques for distributing digital

content (including video programming) in a manner that allows end-users to have authorized access while preventing unauthorized re-distribution and copying. The technique is primarily implemented in software, although some hardware is required to protect against physically intrusive digital piracy attempts.

The significance of the Schneck Patent for navigation devices is that it represents a universal and open solution to the copy protection and access control problem; it protects the interests of the copyright holder, while ensuring seamless dissemination of the copyrighted works to the consumer and enabling interoperable navigation devices. The technology goes beyond traditional "conditional access" in that it allows the owners and operators to control characteristics beyond availability of content, such as output resolution, dates of availability (allowing preview showings at a premium price), and content version (e.g., rating, director's cut, language choice). The technology permits interoperability among broadcast television, cable, direct broadcast satellite, DVD, and digital cinema, thereby providing significant cost advantages and allowing each market to provide stimulation to the other markets. The security approach of the World Airline Entertainment Association Draft Specification for in-flight entertainment use of DVDs is based on our technology. Our technology is secure, renewable, scaleable, and easy to administer. Finally, our technology complements secure transmission technologies such as the 5C technology, offering an end-to-end solution. Veridian is not aware of any competing solution that offers all of the advantages inherent in our technology, and strongly doubts any exists.

As the CableLabs report acknowledges, it is still early for a definitive response to the question whether the interface standard and license under development has achieved the "desired result" – achieving the goals of the navigation devices provision of the statute. As stated above, Veridian has held discussions with CableLabs during which it presented and

explained its technology. We have no reason to believe that those discussions will not prove to be successful, and will report to the Commission on their progress.

In sum, Veridian believes that the Schneck Patent is the most attractive solution to the copy protection and access control problem – one of the fundamental bottlenecks slowing the digital revolution. The benefits of this solution cannot be known, however, unless the Commission adopts rules flexible enough to allow the Schneck Patent. Veridian has been working to identify ways and means of industry collaboration to implement this solution, and would welcome the opportunity to provide further information to the Commission as the navigation devices proceeding moves forward.

Respectfully submitted,

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